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1 OF 1

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USSR Report

AGRICULTURE

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CONTENTS

AGRO-ECONOMICS AND ORGANIZATION

Rationalization of Moldavian Animal Husbandry Management
(D. A. Andreytsev; IZVESTIYA AKADEMII NAUK
MOLDAVSKOY SSR SERIYA OBSHCHESTVENNYKH NAUK, May-Aug 80).... 1

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AGRO-ECONOMICS AND ORGANIZATION

RATIONALIZATION OF MOLDAVIAN ANIMAL HUSBANDRY MANAGEMENT

Kishinev IZVESTIYA AKADEMII NAUK MOLDAVSKOY SSR SERIYA OBSHCHESTVENNYKH NAUK in Russian No 2, May-Aug 80 pp 25-33

[Article by D.A. Andreytsev: "An Improvement in the Organizational Structure of Management of the Production Association in Animal Husbandry"]

[Text] The policy of the further development of specialization and concentration in agriculture on the basis of interfarm cooperation and agrarian-industrial integration is making new, increased demands on the system of production management.

A subsequent improvement in organization and management is a principal task of our party's economic policy. The main directions of an improvement in the system of managing the economy were further developed in the decisions of the 24th and 25th party congresses and CPSU Central Committee plenums. An important element in an improvement in the management of the economy is, as was pointed out at the 25th CPSU Congress, an improvement in the organizational structure of production management. "The selection of the best organizational forms of specialization and concentration on the basis of interfarm cooperation and agrarian-industrial integration with reference to different sectors and directions of agriculture demands particular attention and serious examination,"* L.I. Brezhnev's report at the CPSU Central Committee July (1978) Plenum observed.

The large-scale specialized agricultural enterprises and associations, which have arisen everywhere, represent an extensive field of activity for scientific research in this sphere.

The further process of the socialization and rational organization of production and management is expressed in the creation of interfarm associations for the production of animal husbandry products—the Kolkhozzhivprom—under the auspices of the Moldavian SSR's rayon kolkhoz councils. They already account for 70 percent of meat production in the republic's kolkhoz-cooperative sector and 67 percent of total purchases.

*KOMMUNIST No 10, 1978.

1

The interfarm animal husbandry associations have considerable advantages in the use of labor, material and financial resources. In securing conditions for the rational division of labor they promote its increased productivity in every possible way. Overall planning and material-technical supply are improved simultaneously.

An analysis of the production activity of the interfarm associations shows that the prime costs of their products are lower by a factor of 1.6-2.1 and fodder expenditure by a factor of 1.7 compared with kolkhoz costs. Furthermore, the capital-labor ratio in them is higher by a factor of 2.7 and labor productivity by a factor of 5.3-6.8 than on the kolkhozes. Better use is also made in the associations of fixed capital. The animal husbandry of the kolkhoz-cocperative sector has become, from a loss-making sector, a highly profitable one as a result of the successful activity of these formations. The findings of the scientific observations of many years' standing confirm that the organization of management improves considerably and its efficiency increases with the growth of the concentration of production and an increase in the volume thereof (see table).

Grouping of Moldavian SSR Kolkhozzhivprom Associations by Gross Product (1977)

Group, thousands of rubles	Associa- tions in group	No. workers per Rl mil- lion gross product, total, including engi-		technical personnel's proportion of total no.	Gross product, thousands of rubles		Prof- itab- ility, %
			g-tech- personnel	of workers, %	worker	duction subdiv- sion	
Below 4,000 4,001-6,000 6,001-8,000 8,001-10,000	4 10 8 5	105 91 70 78 81	11 9 10 8 9.5	10.2 9.8 14.5 9.9 11.4	9.5 10.9 14.3 12.9 12.3	921.6 1,659.4 2,191.0 3,020.2 1,978.2	13.9 16.7 24.9 30.2 22.6

The table's figures show that with an increase in the gross product in the associations of the first and final groups of a factor of 2.5 the number of workers per Rl million of output fell by a factor of 1.2, including management workers by a factor of 1.3. Output per production subdivision increased by a factor of 3.3 and per worker by a factor of 1.3, and profitability increased by a factor of 2.2.

The following principles have been made the basis of the formation of animal husbandry associations: the sectorial affiliation of the subdivisions incorporated in the association, a high level of concentration and extended intrasectorial specialization, the production-technological affinity and homogeneity of the manufactured product, the stable nature of the development of production relations among the cooperative enterprises constituting

organizational-economic unity, territorial location on a rayon scale and others. These are determining principles and condition the arrangement and management structure of the association.

The animal husbandry association has an independent balance sheet and a current account, enjoys the right of a legal entity, is endowed with the necessary working and fixed capital and exercises its activity on the basis of financial autonomy. It represents an organizational-legal form whereby some of the enterprises incorporated in it preserve legal and economic independence and some lose them and are converted into production units. As far as the organizational arrangement of the animal husbandry production association is concerned, it incorporates subdivisions for the production of pork, beef, eggs and poultry meat and milk and the rearing of heifers, enterprises for the production and treatment of fodder and the procurement of livestock and poultry and also animal husbandry sections of the rayon's kolkohzes (fig 1).

The animal husbandry association incorporates the production of such sectors as rabbit breeding, sheep breeding, fish farming, bee keeping and others. The efficiency of these sectors has increased considerably and the conditions are being created for their transition to an industrial footing thanks to this. In such an association only the enterprise for fodder production and treatment and the livestock and poultry procurement center retain economic independence, have the right of a legal entity and have an independent balance sheet, an exclusive management machinery and a current account in the Gosbank, are independent in foreign relations and exercise their activity on the basis of financial autonomy.

The production of pork, beef, eggs and poultry meat and milk and the products of other sectors of animal husbandry and the rearing of heifers are concentrated in large-scale specialized subdivisions. They include an interfarm complex (factory) and the animal husbandry sections of the kolkhozes of the corresponding sector. All the production units of the Kolkhozzhivprom lose their legal independence, but the centralized management of them is combined here with operational-economic independence. Their activity is exercised on the basis of intraproduction financial autonomy. The Kolkhozzhivprom Association is of the three-step type in the organizational structure of production. The first step is the brigade, animal husbandry section and sector; the second is the basic production units: factories, complexes and enterprises; and the third, highest, step is the association. The organizational arrangement also predetermines the management structure.

The system of management of the Kolkhozzhivprom Production Association represent a totality of the linear and functional elements with the predominance of linear management. The management mechanism insures the continuous activity and development of the association on the basis of a single technological and economic policy and creates the best conditions for the fulfillment of the plan for the production and sale of products.

3

The association's overall structure presupposes the management mechanism's direct link with production in accordance with the conditions and singularities of production. This determines the functions of the managers, who strive for the concerted nature of the interests of the enterprises and production units, coordinate their work and provide for the rational organization of production and the rhythmic and concerted nature of the processes.

The management of the association is basically constructed in accordance with the three-tier system: shop chief (livestock section chief), factory (enterprise, production facility) manager and overall administrative-managerial machinery headed by the association chairman. The chief specialist-organizers directly manage the basic production subdivisions. They are responsible for the state of affairs in and the development of the entire animal husbandry sphere of the rayon's kolkhoz-cooperative sector. The combination in a single person of the positions of chief specialist and complex (factory) manager simplifies the entire system, promotes current-basis flexibility in settling production questions and does away with parallelism and duplication in work. The principle of one-man management is thus secured in practice, and the possibilities of the linear management machinery are extended and those of functional management reduced to a minimum. The higher management levels are relieved of the need to decide individual nonfundamental production questions.

The organizational structure of the Kolkhozzhivprom association as a whole provides for the economic, technological and territorial connection of the subdivisions incorporated in it. Cooperation extends to the entire production in the association in accordance with a closed cycle and simplifies direct relations among its different production facilities. Yet this structure is still complex and unwieldy. The imperfection of the system of joint subordination entails the imprecise demarcation of the functions of the workers of the management machinery.

The subdivisions were not consolidated and a number of the most important management functions was not centralized with the formation of the associations. The connection between subdivisions has become more complex, but the rights, duties and responsibility of the managers and specialists have not been demarcated. There are also many unsolved questions in the organization of the labor of the management workers.

To increase the economic efficiency of the production associations of the Kolkhozzhivprom we formulated proposals to perfect the organization of its management. The status of an association's production subdivisions were defined and the need for the creation of collegial management bodies and new specialized subdivisions, the formation on the basis thereof of shops per the production-technological principle, the centralization of the important functions of forward management and the creation of mechanization and electrification, material-technical supply and maintenance services were substantiated, among other things. The system of the joint subordination of the managers and specialists was improved. These proposals were worked up in a

4

Sorokskiy Rayon Kolkhoz Council Kolkhozzhivprom association, approved at a session of the republic Kolkhoz Council Scientific-Technical Council and introduced in production.

A principal direction of the improvement in the organizational arrangement was the determination of the optimum sizes of the associations and their production subdivisions and the correlation of basic, auxiliary and maintenance production. Studies show that with the growth of the concentration of pork and beef production there is a considerable increase in their production efficiency. High technological specialization and concentration, the compactness of the territory and the introduction of progressive techniques based on a division of labor within the complex (factory), the new organization of the production process and comprehensive mechanization (control of the ventilation system, the heating of the premises and shipment of fodder) were conducive to the extensive introduction of the sectorial management structure in the association's production subdivisions. Instead of production sectors, brigades and livestock sections, the corresponding subdivisions were created which fulfill homogeneous processes of a single production cycle. The shop organization of production was made the basis of them, and they are distinguished by the type of feeding of the animals, the conditions of their keep, the sex-age development phase, production technique and so forth. A new technique of the rearing and fattening of cattle (from 8-10 days old) was introduced at the beef-production factory, for example. The entire production cycle was divided into three stages (periods): rearing, maturation and fattening. Three shops were organized in accordance with this. At the hog factory (with a complete production cycle) with a capacity of 54,000 fattened hogs per year four shops were created: for barren sows and those in farrow and boars, for suckling sows with piglets, for the rearing of piglets and for the fattening of hogs.

The shops operate in accordance with the financial autonomy principle and are headed by animal specialist-production engineers. The basic form of the intrashop organization of labor is brigade link. This increases the workers' responsibility for the preservation of the animals and their high productiveness and better use of means of mechanization.

The organizational arrangement of the enterprise for fodder production and treatment has been improved considerably. Its principal subdivision is the fodder-production plant, which incorporates the granulated- and mixed-feed shops.

The improvement of the organizational arrangement of the animal husbandry production associations has made considerable changes to the management structure. The on-farm management primarily required a strengthening of democratic principles, the more extensive participation of the working people in management and the combination of the collegial discussion and formulation of decisions with on-the-spot leadership based on one-man management. The role of the collegial management bodies increases with the complication of the association's organizational structure.

5

In this connection the "Model Regulations Governing the Rayon Kolkhoz Council Animal Husbandry Production Association" further develop such forms of the democratic principles of management as the subdivision council, which is accorded great independence in deciding a number of production questions: the organization of labor, labor discipline, fulfillment of socialist pledges, introduction of progressive techniques of rearing livestock and poultry, apportioning material assistance and others. The responsibility of the subdivision managers and specialists for the adopted decisions has increased, and an opportunity has arisen for enlisting the broadest masses of the workers in production management. Permanent conferences and also production-pacesetter councils, inventor and production efficiency expert groups, an economic analysis bureau and groups of the center for assistance to people's control have been created for this at the interfarm complexes and in the brigades, shops and sectors.

The following were important measures of the improvement in the structure of the management of the production association: the further centralization of its functions, redistribution and demarcation among various elements and subdivisions, the consolidation of small-scale duplicative and auxiliary services and the creation of single specialized subdivisions and the granting to them of great independence in deciding long-term issues.

The high degree of provision with equipment and the expediency of the comprehensive solution of questions of the mechanization and electrification of production processes require the creation of a single centralized (on an association scale) mechanization and electrification service. This is further explained by the fact that managers and specialists of the highest tier spend roughly 20 percent of their work time solving technical questions and dealing with material-technical supply and maintenance matters. Given observance of all the necessary conditions, the service's basic function would be the elaboration and implementation of a single technological policy in all the association's subdivisions, the further development of scientifictechnical progress and the introduction in production of new, perfected types of equipment, mechanisms and energy carriers and rational production techniques and organization on the basis of the mechanization and electrification of production processes. The service's main task should be the organization of the correct technological operation and repair of all technical and power facilities, equipment and production engineering installations, devices and other means of mechanization. The repair workshops, the motor vehicle service depots, the power facilities, the bulk plant and other facilities should be put under its jurisdiction.

It is essential to solve in the production association system such an important question as an improvement in material-technical supply and maintenance. An analysis of the production associations' activity showed the expediency of centralizing the management of material-technical provision and creating a material-technical supply and maintenance service. Supply engineers, forwarding agents, service chiefs, warehousemen-storers and fire department and municipal service workers should come under the jurisdiction of the service manager.

6

The functions of planning, accounting and financial activity were centralized and a single planning-financial service was created with the formation of the production associations, which is contributing to the more even load of the accounts and finance workers and making it possible to exercise high-quality and efficient supervision of the association's production-finance activity and also perfect the operating system of on-farm accounting and combine planning, accounting and the analysis of economic activity. The chief of the planning-finance service coordinates the entire work on the planning and accounting of the association's production-finance activity. The service undertakes the centralized elaboration of the association's long-term and annual production plans and the organization of accounting and accountability and also supervision of the expenditure of monetary-material resources as intended.

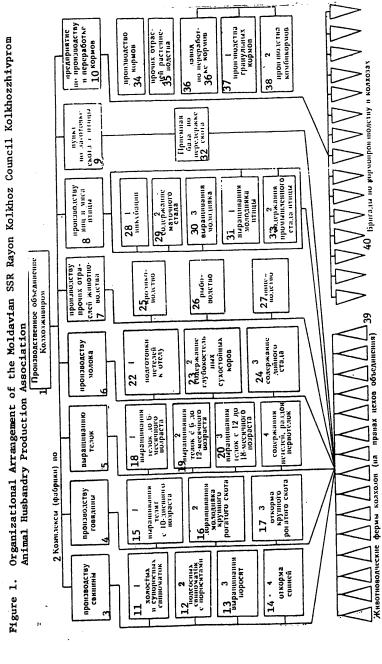
An increase in the level of centralization of management is a principal measure for improving its structure. It cuts down on the relations among various subdivisions, improves the joint subordination of the management bodies and reduces the number of functional elements and subdivisions.

The management structure which has evolved in the association is distinguished by its complexity. From 17 to 20 and more people are simultaneously directly subordinate to the chairman of the production association and up to 26 people to the chief specialist-organizers. This is more than twice the controllability norm, complicates management, leads to excessive work loads and also to the untimeliness and irregularity of the supervision of the work of individual services, subdivisions and executants and reduces management efficiency.

For an improvement in the management and coordination of the work of the production subdivisions, observance of the association chairman's controllability norms, relieving him of the need to decide secondary questions and for concentrating attention on the main prospective problems of production it is advisable to introduce on the registered list of members the position of deputy chairman with the functions of managements of the mechanization and electrification service, the laboratory for determining feed quality, equipment safety, material-technical supply and municipal and routine services. The structure of the management of the animal husbandry production association is reproduced in figure 2.

The changes in the organizational arrangement and management structure entail a redistribution of the functional duties of the management workers and of the rights and responsibility among the production subdivisions and officials. For this reason it is necessary not only to determine the place and role of each subdivision and management worker but also to clearly assign functions, rights and responsibility. The introduction of comprehensive draft regulations governing the production units and services and official instructions for management workers of the associations will insure the more rational division of labor and an end to duplication and parallelism

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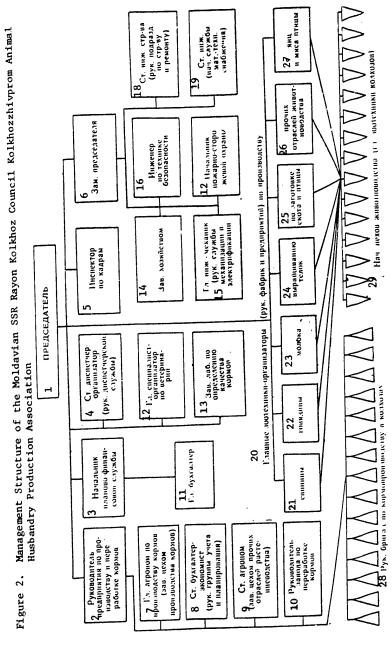
sectors 8. Eggs and poultry meat production 9. Livestock and poultry procurement center 10. Enterprise for fodder production and treatment 11. Barren sows and those in farrow 12. Suckling sows with piglets 13. Rearing of piglets 14. Hog fattening 15. Rearing of calves from 10 days old 16. Maturation of production 5. Rearing of heifers 6. Milk production 7. Production of other animal husbandry Key: 1. Kolkhozzhivprom production association 2. Complexes (factories) for 3. Pork production Примечание. Цифрани обозначены номера цехов. 41 4. Beef

young cattle stock 17. Cattle fattening 18. Rearing of heifers to the age of 6 months 19. Rearing of heifers from 6 months to 1 year 20. Rearing of heifers from 1 year to 18 months 21. Keep of noncalving young cows, increasing milk yield of primapara heifers 22. Preparation of heifers for calving 23. Keep of dry cows after many times in calf 24. Keep of the milch herd 25. Rabbit breeding 26. Fish farming 27. Sheep breeding 28. Incubation 29. Keep of the ewe flock 30 Rearing of the lambs 31. Rearing of the young chicks 32. Keep of the industrial pultry flock 33. Acceptance center for the holding over of the livestock 34. Fodder production 35. Other plant-growing sectors 36. Fodder-treatment plant 37. Granulated-fodder production 38 Mixed-feed production 39 Animal husbandry sections of thekolkhozes (with the status of shops of the associa-The numbers of shops are denoted in tion) 40 Fodder-production brigades on the kokhozes 41 Note.

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the planning-finance service 4. Senior dispatcher-organizer (manager of the traffic control service) 5. Personnel inspector 6. Deputy chairman 7. Chief agronomist for fodder production (chief of the fodder-production shop) 8. Senior accountant-economist (manager of the accounting and planning group) 9. Senior agronomist (chief of the other plant-growing sectors' shop) 10. Manager of the fodder-treatment plant 11. Chief accountant 12. Chief veterinary science specialist-organizer Key: 1. Chairman 2. Manager of the enterprise for fodder production and treatment. 3. Chief of

division 19. Senior engineer (chief of the material-technical supply service) 20. Chief animal specialist-organizers (factory and enterprise managers) for the production of. 21. Pork 22. Beef 23. Milk 24. Rearing heifers 25. Procuring livestock and poultry 26. Other animal husbandry sectors 27. Eggs and poultry meat 28. Managers of fodder-production brigades on the kolkhozes 29. Chiefs of animal husbandry shops (chief animal specialist of the kolkhozes). mechanic (manager of the mechanization and electrification service) 16. Safety equipment engineer 17. Fire-watch chief 18. Senior construction engineer (manager of the construction and repair sub-Chief of the laboratory for determining fodder quality 14. Service chief 15. Chief engineer-

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in work, improve the organization of production management and increase the responsibility of each subdivision and management worker.

Accomplishment of the complex of tasks for an improvement in the organization of management in the animal husbandry associations will be a prerequisite for the creation of a more rational management structure and will positively influence social production efficiency.

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